

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice LD-498

For: State and County Offices

Dairy Market Loss Assistance (DMLA-III) Program Supplemental Payment

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

Section 805 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (the 2001 Act), authorizes CCC to make supplemental payments to:

- dairy operations that received payments under section 805 of Public Law 106-78 (DMLA-II)
- new dairy operations in 2000.

The payments are to offset 35 percent of the reduction in 2000 milk prices from the past 5-year average, and USDA expects to make at least \$650 million in DMLA-III payments to dairy operators. Payment calculations for all participants will be limited to the first 39,000 cwt. of production to better target small- to medium-sized producers.

B

Purpose

This notice provides information on supplemental payments to dairy operations that received a payment under DMLA-II.

Disposal Date	Distribution
October 1, 2001	State Offices; State Offices relay to County Offices

Notice LD-498

2 General Information

A

Source of Authority

The source of authority for DMLA-III is Section 805 of 2001 Act.

B

Eligible Producers

Under DMLA-III, payments will be made to dairy operations that were paid under DMLA-II as well as new dairy operations that began production in calendar year 2000.

C

National Payment Rate

All dairy operations will be paid at the same payment rate of \$.6468 per hundredweight (cwt.) on production up to 39,000 cwt.

D

Increase in Production

Section 805 of the 2001 Act increased eligible production to 39,000 cwt. from 26,000 cwt. Dairy operations, whose DMLA-II payment was limited to 26,000 cwt., will receive an increase to their actual production not to exceed 39,000 cwt.

E

Payment Processing

Software for DMLA-III for dairy operations that received a DMLA-II payment is included in County Release No. 449. County Offices shall start issuing payments upon receipt and installation of the software.

F

Subsequent Payments

Signup will be held in early 2001 for:

- new dairy operations in calendar year 2000
- dairy operations whose base production was less than 12 months for DMLA-II.

These dairy operations will have the option to change their production base to their milk production during October 1, 1999, to September 30, 2000, less their DMLA-II production.
